the form and substance of international cargo liability reform.

While this is a field with which most of us are at best only vaguely familiar, it has been the subject of intense debate in maritime circles for many years. In fact, draft reform legislation proposed by the Maritime Law Association of the United States was the subject of a hearing in the Senate Commerce Committee in 1998. Similar draft legislation was also reviewed by the Subcommittee on Surface Transportation and Merchant Marine during the last Congress under the leadership of Senator KAY BAILEY HUTCHISON. Because of the inability of the commercial parties to agree on how or whether to proceed with such a proposal, however, the legislation was never introduced.

Last month, the World Shipping Council, representing the ocean shipping companies serving America's foreign trades, and the National Industrial Transportation League, representing American importers and exporters, announced that they had reached agreement on cargo liability reform. They issued a joint statement outlining their agreement and pledged to work through the process to be established by the U.N. Commission on International Trade Law, (UNCITRAL), to assist in the development and ratification of a new international cargo liability convention. The goal of this effort is to produce an internationally acceptable instrument that can be ratified by the United States and our trading partners.

Most parties are in agreement that the U.S. law governing cargo liability, which dates back to 1936, can benefit from being updated, ideally in the context of a uniform international legal regime. What they have not been able to agree on, until now, is what real reform should look like.

The shippers and carriers have also agreed on a reasonable timetable for pursuing an international solution, and the shippers will forego their push for U.S. legislation so long as the international process produces an acceptable convention within this timeframe.

I commend the carriers and shippers for agreeing to set aside their decades of differences on this issue and for trying to help produce an agreement that can be adopted by the United States. I also want to commend my colleague, Senator JOHN BREAUX, for his interest and leadership on this very important issue. As the ranking Republican on the Senate Subcommittee for Surface Transportation and Merchant Marine, which Senator BREAUX chairs, I will work closely with him to keep a watchful eye on this process and to consult with the World Shipping Council and the NIT League, as well as with all other interested parties over the next few years to receive progress reports.

I would also encourage the State Department, the Department of Transportation and other agencies within the U.S. Government that may be involved in the multilateral negotiating process to consult regularly with the commercial parties and include them directly in the intergovernmental process.

As you can tell, I have two critical goals for this process: one, I want all relevant parties to work together for a commercially and politically-acceptable agreement for our trading partners; and, two, I want the U.S. Government to be a helpful and productive partner in this process. While these negotiations go on, I will be monitoring things closely, and hope that a positive international agreement can come together in the not-too-distant future.

THE AMERICAN SMALL BUSINESS EMERGENCY RELIEF AND RECOVERY ACT OF 2001

Mr. KERRY. Madam President, I want to submit for the RECORD a managers' substitute amendment to S. 1499, the American Small Business Emergency Relief and Recovery Act of 2001, which incorporates a number of improvements to the emergency relief provided by the bill as introduced. Senator BOND and I have been trying to bring this up before the full Senate, but, for almost one month since October 15, two senators have been blocking its consideration and passage.

The Kerry-Bond bill is a fiscally responsible and measured response to help small businesses that are struggling because they were affected by the attacks on September 11 or because they can't get loans or venture capital from traditional private-sector lenders and investors who are pessimistic about the economy. This legislation makes loan capital and business counseling available to the small businesses in all of our States, and it does so by tailoring many of the Small Business Administration's, SBA, programs.

Let me draw your attention to changes included in the managers' substitute amendment:

One. For businesses located in a declared disaster area or at an airport, or for small businesses that were closed or suspended for related national security reasons by Federal mandate, they may use the disaster loan proceeds to refinance any existing business debt within the bill's loan caps. For one year after approval of such refinancing, principal payments on such refinancings will be deferred and the small business will be required to make interest only payments. Full payments will resume at the end of that year.

Two. For emergency relief loans under section 7(a) of the Small Business Act, the guaranteed percentage was reduced from 95 percent to 90 percent in response to the Administration's concerns that the government's risk was too high at 95 percent.

Three. The size standard applicable for travel agencies with respect to disaster loans and emergency 7(a) loans under the managers' amendment is increased from $1 million to $2 million in average annual receipts.

Four. The SBA Administrator's authority to waive or increase size standards and size regulations is applied to both disaster loans and emergency 7(a) guaranteed loans.

Five. In order to encourage lenders to make the emergency and regular 7(a) loans to small businesses adversely affected by the effects of the terrorist attacks of September 11, 2001, the managers' amendment reduces the on-going lenders' fee from one-half of 1 percent to one-quarter of 1 percent.

Six. The requirement of non-Federal match is waived for the Women's Business Centers program with respect to individualized assistance authorized under this Act.

Seven. It requires the SBA to report to the pertinent House and Senate Committees periodically on its implementation of this legislation.

Eight. The managers' amendment increases the authorization levels for the 7(a) and 504 programs by $2 billion each, and for the Small Business Investment Company participating securities and debentures programs by $700 million and $200 million, respectively, to accommodate increased demand anticipated in the wake of the terrorist attacks of September 11, 2001.

Nine. In the loan term provisions for emergency 7(a) loans, a cap of $3 million was added for the ''gross amount of the loans.'' This clarifies that the other stated caps apply to the SBA-guaranteed portions of the loans.

Ten. To make clear that Congress expects the SBA to implement these emergency relief provisions as quickly as possible, a section was added requiring SBA to issue interim final rules and implementing guidelines within 20 days of the date of enactment of this legislation.

Eleven. Under the 7(a) stimulus loans, the managers' amendment reduces by half the upfront guarantee fee paid by the borrower, and it establishes a guarantee percentage of 85 percent on all such loans.

Twelve. Under 504 stimulus loans, the managers' amendment reduces by half the annual guarantee fee paid by the borrower, currently .41 percent, and retains the upfront bank fee of 50 basis points, .50 percent.

These are important changes that Senator BOND and I have worked out to make a good bill better. I am very pleased that the Chairman of the House Committee on Small Business, Congressman DON MANZULLO, and Congressman JIM MORAN introduced a bill identical to our managers' amendment on November 6 and appreciate their cooperation throughout this process.

ADDITIONAL STATEMENTS

THANK YOU TO STAFF FOR PUBLIC SERVICE

• Mr. CLELAND. Mr. President, times of adversity have always been fertile soil in which to find triumphs of the